IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

CIES BISKER, LLC,	§	
	§	
Plaintiff,	§	
	§	
vs.	§	
	§	
3M COMPANY, FLOORGRAPHICS, INC., NEWS AMERICA MARKETING IN-STORE, LLC , and NEWS AMERICA MARKETING IN-STORE SERVICES, LLC,	§	**CIVIL ACTION NO. 2:08-CV-115**
	§	
Defendants.	§	

O R D E R

Before the Court is Defendant 3M's Motion to Stay Litigation Pending Reexamination of U.S. Patent No. 5,863,632. Dkt. No. 42. Also before the Court are Defendant FLOOR*graphics*, Inc.'s Joinder in Defendant 3M's motion, Plaintiff's Amended Response in Opposition, and Defendant News America's Response in Opposition. Dkt. Nos. 52, 55 & 57, respectively. Having considered the arguments of counsel, all relevant papers and pleadings, the Court finds that Defendants' Motion to Stay should be **DENIED**.

I. BACKGROUND

Plaintiff, Cies Bisker LLC, filed this suit on March 19, 2008 alleging that Defendants infringe U.S. Patent No. 5,863,632 ("the '632 Patent") entitled "Decorative Photographic Tile and Method Using Same." The '632 Patent teaches a method of advertising by applying a non-permanent "floor graphic" to floors in consumer locations. On July 22, 2008, six days before the scheduling conference in this suit, Defendant 3M petitioned the PTO for an *ex parte* reexamination and filed this motion to stay. 3M's co-defendant FLOORgraphics, Inc. has joined in 3M's motion. Conversely, co-defendant News America Marketing In-Store, LLC opposes the motion.

II. LEGAL PRINCIPLES

"The district court has the inherent power to control its own docket, including the power to stay proceedings." *Soverain Software LLC v. Amazon.com, Inc.*, 356 F. Supp. 2d 660, 662 (E.D. Tex. 2005) (J. Davis). "The power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants." *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). "How this can best be done calls for the exercise of judgment, which must weigh competing interests and maintain an even balance." *Id.* at 254-55.

This Court has stated that it has no "automatic" policies regarding stays pending reexamination, but has stated that "each motion to stay pending reexamination filed in this Court is considered on a case-by-case basis with each cause of action presenting distinct circumstances." *DataTreasury Corp. v. Wells Fargo & Co.*, 490 F. Supp. 2d 749, 754 (E.D. Tex. 2006). In deciding whether to stay litigation pending reexamination, this Court considers "(1) whether a stay will unduly prejudice or present a clear tactical disadvantage to the nonmoving party, (2) whether a stay will simplify the issues in question and trial of the case, and (3) whether discovery is complete and whether a trial date has been set." *Soverain Software LLC v. Amazon.com, Inc.*, 356 F. Supp. 2d at 662.

III. PARTIES' POSITIONS & DISCUSSION

1. Undue prejudice and tactical disadvantage to the nonmoving parties

Defendants 3M and FLOORgraphics, the movants, correctly argue that this litigation is still in its early stages. Dkt. No. 42 at 5. This Court has just recently entered the scheduling order in this case and has set trial for the March 2010 docket. Dkt. No. 66. As such, this case is currently in the earliest stages of discovery. The movants also argue that the Plaintiff waited seven years to file this lawsuit and any further delay will not prejudice the Plaintiff more than its own delay. Dkt. No. 42 at 5. The movants also argue that Plaintiff's legal expenses will be less during reexamination than during this litigation. *Id.* Such litigation expenses will, however, be at best merely delayed during any such reexamination.

Plaintiff responds by arguing that reexamination procedures take, on average, nearly twenty-four months. Dkt. No. 55. Such a delay would leave the reexamination's resolution to sometime in the summer of 2010—months after the scheduled trial in this case. *Id.* Plaintiff also contends that a significant amount of time and effort has already been spent preparing infringement contentions in accordance with this Court's local rules and in preparing for discovery. *Id.*

Co-Defendant News America likewise opposes the motion. News America argues that the entry of this Court's usual stipulation upon granting such a stay, which Plaintiff requests, would put News America at a tactical disadvantage. Dkt. No. 57 at 2. This Court has, in the past, conditioned stays pending reexamination on the defendants' signed stipulation that they will not challenge the validity of the asserted patent based on prior art presented to the Patent Office during the reexamination proceeding. *Premier Int'l Assocs., LLC v. Hewlett-Packard Co.*, 554 F. Supp. 2d 717, 725 (E.D. Tex. 2008); *DataTreasury*, 490 F. Supp. 2d at 755-56. This stipulation maintains a level playing field between the parties by preventing defendants from having two independent opportunities to invalidate an asserted patent based on the same prior art. *DataTreasury*, 490 F. Supp. 2d at 755 ("Quite simply, Defendants should not have two bites at the [proverbial] apple."). Such a stipulation would be appropriate in this case to prevent 3M from having two such opportunities to invalidate the asserted patent.

The reexamination that 3M filed in this case is an *ex parte* procedure. Dkt. No. 42 at 2-3. Thus, the only opportunity that News America would have to challenge the validity of the Plaintiff's patent would be at trial. Consequently, this Court's stipulation requiring defendants to refrain from the use of prior art considered by the PTO during reexamination would harm News America's ability to challenge validity at trial.

On balance, a stay would put the non-movants, particularly defendant News America, at a significant tactical disadvantage. Therefore, the Court holds that this factor weighs against a grant of stay.

2. Simplification of the issues in question and trial of the case

Reexamination may well result in simplification of the issues due to elimination, narrowing, or amendment of the claims. In *Soverain*, Judge Davis noted that while cancellation of all claims occurs in only twelve-percent of reexaminations, "[t]he unlikelihood of this result, which favors not staying the case, is offset by the possibility that some of the claims may change during reexamination, which favors staying the case." *Soverain Software LLC v. Amazon.com, Inc.*, F. Supp. 2d at 662.

The non-movants here argue, however, that the technology at issue and the claims of the '632 Patent are so straightforward and simple that the Patent Office's technical expertise is not needed and will not simplify the issues for trial. Dkt. No. 55 at 7; Dkt. No. 57 at 3. This Court agrees. The technology here is straightforward and any additional guidance from the Patent Office will be of limited value. *See Purechoice v. Honeywell Int'l Inc.*, No. 2:06-CV-244, 2007 WL 1189844 at *1 (E.D. Tex. 2007) (J. Ward) (holding that the chance of material change or voidance of claims was too speculative to support a stay since "waiting for the completion of the reexamination may only simplify the case to a *limited* degree." (emphasis added)).

Therefore, the Court holds that this factor weighs against a grant of stay.

3. Completion of discovery and trial date

The movants argue that this case is still in the early stages of litigation. Dkt. No. 42 at 6-8. In this, they are correct. As mentioned above, trial has been set for the March 2010 docket and discovery is only in its earliest stages. Plaintiff counters by arguing that it has already expended effort in preparing for discovery and has all of its documents ready to produce. Even if this Court accepts Plaintiff's position, this factor weighs in favor of a stay. This factor alone, however, is not enough to overcome the other two factors, which suggest that a stay is inappropriate in this case.

In sum, given the particular circumstances of this case, the Court finds a stay will cause undue prejudice to non-movants and will not simplify the issues for trial. Consequently, a stay in this case is inappropriate.

IV. CONCLUSION

For all of the foregoing reasons, 3M's Motion to Stay Litigation Pending Reexamination of U.S. Patent No. 5,863,632 (Dkt. No. 42) is hereby **DENIED**.

SIGNED this 22nd day of September, 2008.

DAVID FOLSOM
UNITED STATES DISTRICT JUDGE